

2001 Small Business Profile: DISTRICT OF COLUMBIA

That the small business sector is as an economic engine indispensable to District Of Columbia's well being is apparent in the *2001 Small Business Profile*, compiled by the U.S. Small Business Administration's Office of Advocacy. The results in this report show that small businesses are job generators and innovators, and that they represent an array of opportunities to the diverse spectrum of individuals in their communities.

Number of Businesses. In 2000, the number of employer businesses decreased by 1.5 percent, and it is estimated that the number of self-employed individuals increase by 1.1 percent. There were 26,157 employer businesses, and nearly 93.6 percent were small (with fewer than 500 employees) in 2000. Self-employed persons were estimated at 14,160 in 2000. (Sources: U.S. Dept. of Labor, Employment and Training Administration; U.S. Dept. of Commerce, Bureau of the Census; U.S. Dept. of Labor, Bureau of Labor Statistics)

Women-Owned Businesses. Women-owned businesses generated \$1.8 billion in revenues, employed 17,320 workers, and constituted 14,000 firms or 30.9 percent of all firms in 1997. The data on womenowned firms are not comparable between 1992 and 1997. (Sources: U.S. Dept. of Labor, Bureau of Labor Statistics, U.S. Dept. of Commerce, Bureau of the Census)

Minority-Owned Businesses. According to the latest (1997) Census data, a total of 15,200 minority-owned businesses represented 33.6 percent of the businesses in the state and generated \$3.0 billion in revenues. Of these, 3,200 were employer businesses employing a total of 27,428 workers. There were 2,200 Hispanic-owned firms; 10,900 Black-owned businesses; 2,400 Asian and Pacific Islander-owned firms; and 100 American Indian and Alaskan Native-owned businesses in 1997. (The data on minority-owned firms are not comparable between 1992 and 1997.) Data may not sum to the total because an owner may be a member of more than one minority group. (Source: U.S. Dept. of Commerce, Bureau of the Census)

Business Turnover. There were 25.8 percent or 4,472 more new employer firms in 2000 than in 1999. Business bankruptcies totaled 58 in 2000, a decrease of 28.4 percent since 1999, while business terminations amounted to 4,996, an increase of 5.9 percent from 1999. (Sources: U.S. Dept. of Labor, Employment and Training Administration; Administrative Office of the U.S. Courts; U.S. Dept. of Commerce, Bureau of the Census)

Employment. Small business employment represented 47.8 percent of the state's total employment and firms numbered 15,359 in 1998. Small businesses employed 192,163 of the state's 402,070 total non-farm private sector workers (Table 1). (Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses)

Small Business Income. The non-farm proprietors' share of small business income totaled \$2.6 billion—an increase of 6.0 percent from \$2.5 billion in 1999. (Source: U.S. Dept. of Commerce)

Finance. Small businesses often rely upon local bank services, and the number of banks within the state has decreased over the last five years. The Office of Advocacy has published banking studies identifying banks within the state that are small-business-friendly. (See Table 2 for the number of banks by asset size.) Small businesses seeking loans should also consider lenders that participate in the SBA's preferred or certified loan programs; for a list of these lenders, call the Small Business Answer Desk at (800) 827-5722.

For more information on the Office of Advocacy's data, analyses, and research reports on small business, visit www.sba.gov/advo/stats or call (202) 205-6530.

Table 1. Firms and Employment in the State by Industry and Firm Size (Thousands), 1998

| | Firm | S | Employment | |
|--|-------|-------|------------|-------|
| Industry | Total | < 500 | Total | < 500 |
| Total | 16.4 | 15.4 | 402.1 | 192.2 |
| Agriculture, forestry, fishing, and hunting | 0.0 | 0.0 | [a] | [a] |
| Mining | 0.0 | 0.0 | [a] | [a] |
| Utilities | 0.0 | 0.0 | 2.9 | [a] |
| Construction | 0.3 | 0.3 | 7.2 | 5.8 |
| Manufacturing | 0.2 | 0.2 | 3.0 | 2.4 |
| Wholesale trade | 0.3 | 0.3 | 5.0 | 2.9 |
| Retail trade | 1.6 | 1.5 | 18.7 | 9.3 |
| Transportation and warehousing | 0.2 | 0.1 | 3.8 | 1.6 |
| Information | 0.5 | 0.4 | 23.8 | 6.9 |
| Finance and insurance | 0.6 | 0.5 | 16.7 | 4.6 |
| Real estate; rental and leasing | 0.7 | 0.7 | 9.7 | 6.4 |
| Professional, scientific, and technical services | 3.9 | 3.7 | 71.1 | 39.5 |
| Management of companies and enterprises | 0.2 | 0.1 | 4.1 | 1.0 |
| Admin., support, waste mngt., and remed., services | 0.9 | 0.8 | 30.1 | 14.8 |
| Educational services | 0.4 | 0.4 | 39.7 | 7.7 |
| Health care and social assistance | 1.8 | 1.7 | 58.8 | 20.5 |
| Arts, entertainment, and recreation | 0.2 | 0.2 | * | * |
| Accommodation and food services | 1.3 | 1.2 | 40.9 | 19.9 |
| Other services | 3.2 | 3.1 | 56.8 | 45.1 |
| Auxilary, except corp, subsidiary, and regional managing offices | 0.1 | 0.0 | 5.6 | * |
| Unclassified | 0.3 | 0.3 | * | * |

^{*} Disclosed

Source: U.S. Department of Commerce, Bureau of the Census.

Table 2. Number of Banks in the State by Asset Size, 2000

| Number of Banks, 1996-2000 | | | | Bank Asset Size Class, 2000 | | | | | | |
|----------------------------|------|------|------|-----------------------------|--|---------|---------------|-------------|------------|--------|
| 1996 | 1997 | 1998 | 1999 | 2000 | | <\$100M | \$100M-\$500M | \$500M-\$1B | \$1B-\$10B | >\$10B |
| 12 | 7 | 6 | 6 | 6 | | 2 | 4 | 0 | 0 | 0 |

Source: U.S. Small Business Administration, Office of Advocacy, from data collected by the Federal Reserve Board. The full list of small-business-friendly banks can be found on the Office of Advocacy's website at www.sba.gov/advo/lending.